In less than two decades the United States has suffered a serious erosion of its international trade position, its heavy industry and its technological standing. The two decades after World War II witnessed the virtually uncontested international economic supremacy of the United States. However, this special era ended in the wake of the effects of the Vietnam War, the energy crisis and stagflation. Management responded to this growing peril by seeking government aid and retrenching its mainstream operations rather than increasing productivity by accelerating technological innovation. In its search for higher profits companies in heavy industry disinvested by more internationalizing and conglomerating. These developments hurt the steel workers especially in Youngstown and the Mon Valley with their almost total dependence on the industry for economic viability. By the late 1970's plant closings and job cutbacks produced massive unemployment in both areas. Its effects transcended the damage inflicted on the displaced and their families and caused serious problems for their towns. The immensity of the crisis spurred cooperation among workers, local unions and community groups. In Homestead, Local 1397 of the United Steelworkers of America took the initiative and received reinforcement from community groups especially the Tri-State Conference on Steel, the Mon Valley Unemployed Committee and the Denominational Mission Strategy. These groups devised and implemented survival programs and developed plans to improve economic conditions in the Homestead area. Their plans, although currently focused on the Mon Valley, can exert a wider influence. If this decentralized democratic alternative proves feasible it can provide a viable alternative for other areas suffering from deindustrialization which desire to maintain their heavy industry base and existing community framework.
World War II opened a new era as the depression ended and the federal government helped to engineer growing prosperity by dispensing defense contracts, building factories, and planning the economy. While the economic position of the United States improved, the war undermined the competitiveness of the Soviet Union, Western Europe and Japan especially in the decade following 1945. This combination of events set the stage for a brief period of global hegemony in which the military and political might of the United States reinforced its economic power. The end of the war provided new investment opportunities for United States businessmen abroad and at home. Rebuilding the damaged economies of Western Europe and Japan and the unleashing of vast effective demand in the United States created huge markets. Consumers scrambled for expensive durable goods and the auto, steel and appliance industries responded. Suburbanization spurred economic growth as residential, commercial and manufacturing construction shifted to new areas to accompany changing population patterns. This new prosperity provided the foundation for a more cooperative relationship between big business and major unions. While executives remained adamant about the inviolability of management rights, they proved more willing to share the growing economic surplus of their companies. They accepted union demands for improvements in wages and fringe benefits especially when they could link those concessions with agreements for joint efforts to increase productivity and counter the increasing influx of imports.

The growing tide of imports reflected the widening and deepening cracks in the structure of American global hegemony. By the late 1960's the industrial plants of Germany and Japan, built with state of the art technology, exported products to regions formerly dominated by the United States, including our domestic market. Developments in the Third World contributed to the global realignment. The ascendancy of Fidel Castro in Cuba and his symbolization of revolution in Latin America provided an alternative and a challenge to the United States. The Vietnam War exacted a higher direct price from the United States with the loss of thousands of lives, the erosion of international standing and declining economic viability. In the aftermath of this setback, American leaders undertook a military buildup. This expansion, which peaked in the Reagan Administration, channeled resources from the civilian sector, placed a premium on wasteful means of production and accelerated inflation. Other inflationary pressures in the 1970's came from the rising cost of necessities including fuel, food, housing and medical care. Productivity gains slowed as large companies increased the
number of management layers, failed to utilize the latest technology and purchased existing companies rather than constructing new facilities in the United States. By the mid 1970's the American economy faced the combined pressures of increasing imports and intensifying stagflation. To protect themselves, corporate grants sought government aid and concessions from workers. The federal government responded with import restrictions, tax relief, and flexibility in the enforcement of environmental and safety regulations. In the auto and steel industries management received concessions from labor during the severe recession of the early 1980's. Union leaders granted work rule changes, wage cuts and reductions in fringe benefits.

Developments in the steel industry paralleled many of the trends in the general economy and the heavy industry sector. The coming of World War II reversed the pattern of curtailed output and profits and reduced employment and wages of the Depression Era. The conflict triggered a federal government program, implemented by the War Assets Administration, which spent over seven hundred million dollars on steel mills. These expenditures produced four new integrated steel mills, a clear contrast to the single major greenfield mill constructed by private enterprise in the two decades prior to the war. The government built many additions to existing steel plants with the major steel companies deriving the primary benefits of these activities. U.S. Steel purchased the giant Geneva, Utah plant at a bargain price and bought the Homestead mill for one-half of its reported cost. The latter purchase provided a substantial addition to the company's flat-rolled capacity as it obtained slab and plate mills, two new blast furnaces, a new open-hearth unit, electric furnaces and facilities for armor forging, heat treating and alloy heat-treating. The profits of steel companies grew during the war and steel workers made gains with improved employment opportunities, higher wages and abundant overtime work. Union leaders shared in the benefits as the National Labor Relations Board sanctioned a dues checkoff system, which alleviated the chronic financial problems of the United Steelworkers of America, as a type of repayment for their signatures on a no-strike pledge. This system buffered them from pressures applied by members and accelerated the shift toward the bureaucratization of the union. The large industrial unions dispatched many of their best representatives to the capital where they acquired the legal and political skills necessary to negotiate and administer collective bargaining contracts. Leaders accelerated centralization tendencies within the union by pushing for industrywide bargaining and the union shop. These mechanisms promoted more stability in labor-management
After World War II the steel industry experienced heavy demand for its products. Auto manufacturers, appliance producers and home builders responded to consumer demands. Industrialists needed steel for machine tools, pipelines and power plants. Steel companies responded to these opportunities by expanding their output aided by the production from newly installed open hearth furnaces. Their increased profits also financed high dividends and substantial salaries and bonuses to top executives. Steel workers struck frequently between 1946-59 and won wage increases and improved fringe benefits. In exchange for these benefits and job security for its members the union accepted management rights in the tradeoff which comprised the informal social contract. The “broker state” undergirded this economic growth coalition by providing a “good business climate” for the companies and Keynesianism and some welfare state measures for the steel workers. The virtual disappearance of foreign competition in an expansionist period provided the setting for these arrangements.

Below the glittering facade of international leadership a fundamental change in steel technology signaled the inauguration of a crucial shift in the standings of steel producing nations. For more than fifty years the major steel companies of the United States had been indifferent to new technology. However, distance and lack of fundamental change forestalled financial retribution. In the late 1950’s the absence of a competitive attitude became important as foreign producers developed and installed modern equipment, particularly the basic oxygen furnace. An examination of the diverse responses to the introduction of this process helps to explain the changes in the international standing of steel producing nations. An Austrian firm began large scale commercial production in 1952 and many other European companies implemented the technology within a few years. United States Steel and Bethlehem Steel waited until 1964 before they installed the process. The basic oxygen process involved both low capital costs and savings in operating costs which more than overbalanced any benefits from continuing to use existing equipment. Top officials of the leading steel companies had many opportunities to obtain information about the success of the new technology. Numerous visitors reported on the Austrian firm and the McLouth Steel Company in the United States, which installed the process in 1954, and technical and trade journals publicized the Austrian invention. Steel specialists in the United States and Europe praised the new development. The Kefauver Committee of the U.S.
Senate asked steel company executives about their failure to emulate the Europeans, but U.S. Steel and the other major steel companies remained unmoved by the challenge. Walter Adams, an economist at Michigan State University, argued that a complete substitution could have been achieved by 1961 with limited difficulty and great financial benefit for the large, integrated steel companies.  

The responses of these companies to continuous casting, which revolutionized steel making along with the basic oxygen furnace, illustrated the costs of its limited expenditures on research and development and its conservatism in adopting technological breakthroughs. Continuous casting displayed many advantages including energy savings, the potential for higher labor productivity, better quality steel, reduced pollution and lower capital costs. Despite these advantages the United States lagged far behind Japan and West Germany in adopting this technology. In 1978 Japan continuously cast 50% of its steel production, West Germany stood at 38% and the United States achieved 15%. An explanation of this outcome must take account of modes of business operation and changes in transportation costs and the availability and costs of raw materials. Many steel executives devoted little investment to research and development and preferred to purchase proven technologies rather than undertake the risks of innovation. They paid relatively little attention to long range strategic planning and technological planning and failed to project the long term economic advantages of the new technology. Faced with limited amounts of discretionary income by the mid 1960's they used their money for short term capital projects rather than plunging into giant, state of the art steel complexes. Steel companies introduced continuous casting capacity gradually and often suffered from equipment at different levels of sophistication because the country constructed only two integrated "greenfield" plants after World War II, the Fairless Works and Burns Harbor. The availability of new sources of iron ore and coke eliminated a competitive advantage of the United States and the development of lower cost bulk carriers to transport these raw materials gave Japan an important cost advantage in the 1960's. The Japanese exploited these opportunities by building huge new mills accessible to these ships. By the late 1960's the smaller, older, less productive United States plants fell far behind their Japanese and West German counterparts.  

Labor-management relations provided the other major center of attention in the late 1950's and the 1960's. Since 1946 intermittent strikes characterized the industry culminating in the lengthy strike of 1959. In its aftermath steel company executives and leaders of the
United Steelworkers of America began a period unmarked by a major strike in the next quarter of a century. Their informal bargain provided wage increases and fringe benefit gains for the steel workers along with recognition for the labor leadership. In return for these advances the workers and the union accepted management rights, acted jointly with management to increase productivity and limit imports and accepted "broker state" capitalism. This arrangement gave management some sense of predictability and offered union leaders a record of tangible gains for their members to which they pointed when challenged by dissident workers and dissatisfied local leaders. This informal pact received more formal recognition in the Experimental Negotiating Agreement of 1973 which forbade strikes in exchange for a bonus and a system of cost of living allowances. However, changing conditions in the late 1970's would jeopardize the agreement and produce a more confrontational climate.

In the period of labor peace of the 1960's steel company executives partially shifted their attention from labor-management relations to a concern about the profitability of their industry compared with domestic manufacturing industry in general. An examination of this picture revealed lower profits and a pattern of decline in relative standing which worried top management. In the 1950's steel companies earned a 10.7% return on equity, 95% of domestic manufacturing in general. For the 1960's the return fell to 7.8%, only 70% of the profitability of domestic manufacturing industry. Both profit level and standing compared with other manufacturing industries continued to drop between 1970-1978. They paid less attention to another statistic which showed the profit rate of the steel industry in the United States exceeded other steel industries except Canada. Their diagnosis of the problem emphasized rising costs as an explanation of their growing plight and they pinpointed energy prices, compliance with environmental guidelines and labor costs as the chief culprits. Raw material prices rose in the 1970's especially energy costs as OPEC and the major oil companies exploited their opportunities. Environmental groups and politicians targeted the steel industry as a major polluter and the Environmental Protection Agency pressured steel companies to conform to its regulations. Compliance with these regulations absorbed 17% of the capital investments of steel companies according to an estimate by the Office of Technology Assessment. These expenditures placed a burden on the industry but its competitors faced comparable conditions. The Japanese spent more for pollution abatement per ton of steel produced than the United States. In explaining their declining international competitiveness company representatives
emphasized excessive labor costs while their critics saw high wages as desirable, wage rates for industrial workers as roughly comparable in other advanced nations and inefficient management as a key factor in the distress of the steel industry. Steel executives characterized the late 1970's as a period of galloping labor costs with fringe benefit expenses and cost of living allowances in the 1974 and 1977 settlements as the major causes. J. Bruce Johnston, Vice President for Labor Relations of the U.S. Steel Company, described labor costs as far out of line at more than 100% greater than the average for all manufacturing in the United States and at even greater variance compared with steel workers in other nations. Ann Markusen, Department of Urban Planning of the University of California at Berkeley, offered an alternative perspective and called for higher wages for other workers and viewed the wages of steel workers as a reflection of company profits. Barry Bluestone, Department of Economics at Boston College, agreed with Professor Markusen and noted that European unions won comparable benefits for their members but their industries competed more effectively in the international market than ours. He rejected a reduction in the standard of living of American workers as unjust and ineffective in promoting international competitiveness and productivity. Professor Bluestone explained the cause of the problem as inefficient management which failed to develop and implement new technologies.5

Management disputed this interpretation and turned to lobbying for changes in government policy, diversification and concessions from workers. Companies demanded and received a variety of benefits from the federal government in international trade, taxation and environmental policy. Trigger price mechanisms, quotas and voluntary agreements provided protection against imports. A reduced corporate income tax, an accelerated depreciation allowance and an investment tax credit left the companies with more disposable income and the Carter administration added a loan program for the steel industry. Government flexibility in the pollution control area resulted in extensions and modifications of regulations. In the case of open hearths of the Homestead mill, US Steel closed the facility after it received government concessions. These benefits failed to make the integrated mills internationally competitive nor satisfy some steel company executives about the responsiveness of the federal government to their increasing plight. Bruce Johnston criticized the government for raising company costs by granting the rights of collective bargaining and striking to the labor force, pursuing inflationary energy and monetary policies and taxing the industry while other nations subsidized their steel industries.6
Dissatisfied with the results of their efforts to gain redress of their grievances from the federal government, steel companies turned to changes in business practices and labor policies. As profits in the steel industry continued to decline more companies practiced diversification rather than modernization. U.S. Steel invested in the chemical industry and real estate and spent over six billion dollars to acquire Marathon Oil. After this major acquisition in the early 1980's its steel operations comprised less than 30% of the company's total investments. Earlier, steel companies sought to increase their profits by cutting the size and growth of labor costs. An influx of young, women and black workers changed the character of the heavy industry labor force in the late 1960's. These better educated and more independent employees resented dictatorial methods on the shop floor and exhibited less commitment to the work ethic prized by employers. Steel company executives responded to their assertiveness by hiring more supervisors to apply pressure and increase productivity.

The new employees sought changes in management practices and union leadership. Pockets of dissidents began to surface particularly in the Chicago, Baltimore and Pittsburgh regions. These activists met at a conference in Chicago in July 1974 and formed a loose network to institute a court fight against the Experimental Negotiating Agreement. They scored a major victory in 1974 when Ed Sadlowski became director of District 31, the Chicago area district with the largest membership in the union. This triumph provided him with a base to challenge Lloyd McBride in the 1977 presidential election. He founded Steelworkers Fight Back as his organizational mechanism and conducted a strong, but unsuccessful, campaign focused on the union democracy issue and his dynamic personality. Unfortunately for the dissidents the Sadlowski struggle, although successful in the basic steel industry, left a limited tangible legacy. It did provide the growing rank-and-file groups with opportunity for interaction, but the domination of Sadlowski's Chicago area supporters and the emphasis on personality rather than program left a limited foundation for constructing a decentralized democratic alternative.

Some locals, such as 1397 in Homestead, continued to struggle for change in the aftermath of the Sadlowski setback. Michele McMills and John Ingersoll headed a small core of active dissidents who turned from campaigning for Sadlowski to democratizing their local. Some members of the local expressed dissatisfaction with the leadership of 1397 for its inability to win grievances, its lack of financial accountability and its long term of office holding. The dissidents realized that this dissatisfac-
tion seldom led members to attend meetings of the local except at contract time. Therefore, democratization required outreach to members using innovative methods to arouse their interest. Dissidents responded to this challenge by meeting at people's homes and at bars where they planned raffles and other fund raisers, prepared leaflets and decided to start a newspaper. Socializing and working together gave the participants an opportunity to get to know each other and to develop a sense of solidarity. Holding or attending demonstrations around issues got people to put their "bodies on the line" and reinforced this feeling of unity as well as generated press coverage. Participation in demonstrations offered members of local 1397 an opportunity to meet other steel workers and show solidarity with them, particularly in the rallies protesting the closing of the mills in Youngstown. By this time their sense of group consciousness had been strengthened by their joint efforts in publishing their newspaper for several years. 

The election of delegates to the convention of the United Steelworkers of America in 1976 provided dissidents with a test of their popularity. Local 1397 gave them an endorsement by electing Mc Millennials and Ingersoll as well as Ron Weisen. Weisen supported Sadlowski the following year and helped him carry local 1397, but he concentrated most of his attention on unseating the incumbent leadership of the local. His campaign produced a victory in 1979 when he won the presidency and John Ingersoll became vice-president. The new administration faced local difficulties and more general problems as the steel companies responded to pressure on their profits with cost cutting measures. In Homestead the company took a strong stand against absenteeism which they attributed to the atrophied work ethic of young, black and women workers. Youngstown steel workers faced more pressing problems, which would soon pervade other older steel mills, as the major steel companies closed their mills in the late 1970's and created mass unemployment in the city.

The Youngstown struggle signaled the start of a new era which continues to plague steel workers and their communities today. In September 1977 Youngstown Sheet and Tube laid off more than 4,000 workers at the Campbell Works. This decision undermined the economic base of the Mahoning Valley and threatened the viability of Youngstown as a community of ethnic, single-family-house neighborhoods. Shortly after the closing, a coalition of steel workers, local business people and community organizations, operating under clerical leadership, proposed a reopening of the plant with ownership vested in a new, locally based corporation. They argued that Lykes, an absentee
conglomerate, closed the plant because it failed to earn the highest possible profit, but Youngstown citizens would accept a lower return if they could maintain the economic stability of the city. “Save our Valley” pledges raised millions of dollars and consultants designed a modernization plan which steel industry experts considered feasible. However, the opposition of U.S. Steel and the denial of a request for federal loan guarantees doomed the project.10

The next major battle resulted from Jones and Laughlin closing its Brier Hill mill and U.S. Steel shutting the Ohio and McDonald Works in December 1979. These decisions cost 5,000 jobs and started a pattern for other older steel centers which left steel workers and their families vulnerable. They responded to this threat to their way of life by judicial action and direct action. Several steelworker locals retained attorney Staughton Lynd to sue U.S. Steel for violating an oral agreement with the union to keep plants open as long as they earned a profit. Judge Thomas Lambros, who upheld the right of U.S. Steel to close the plants, described the issue in the case as balancing the protection of the free enterprise system and the interests of the community which built itself around the steel mills and thereby developed some property rights in their continuation. Steelworkers from Ohio and Pennsylvania, including several hundred from local 1397 in Homestead, occupied the U.S. Steel headquarters in Youngstown and secured a meeting with company officials to discuss the future of the plants but the mills remained closed.11

The Youngstown struggle catalyzed a series of actions designed to prevent the spread of the contagion of plant closings from Youngstown to the Mon Valley. The Tri-State Conference on Steel, organized in 1979 as a coalition of union, clergy and community activists, supported the efforts of the Youngstown steelworkers to save their mills and jobs. They realized that the outcome of the battle would set a precedent for the Mon Valley. Local 1397 participated in court actions to defend the interests of steelworkers in older mills as they joined a diverse group of litigants who hired Staughton Lynd to challenge the environmental permits granted to U.S. Steel to construct a huge steel complex in Conneaut, Ohio. Homestead steelworkers and local union leaders feared that this “greenfield” plant would destroy thousands of jobs in the Pittsburgh area and transform their ethnic communities into “ghost towns.” They acted as an intervenor in a consent decree proceeding in 1979 between the Environmental Protection Agency and U.S. Steel by filing a motion to delete paragraph 40. This section permits a company to comply with its obligations under the Clean Air Act by installing
pollution control equipment or closing the facility. According to local 1397 the latter option would violate the intent of Congress in the Steel Industry Compliance Extension Act of 1981 which sought to achieve clean air and jobs. Staughton Lynd captured the symbolism of the closing of open hearth no. 5 of the Homestead Works for the Mon Valley when he noted that this decision would end steel making at U.S. Steel's largest and most historic mill in the Mon Valley and reduce the facility to a finishing mill. However, his plea went unheeded and Homestead lost its standing as an integrated mill.12

Youngstown lost its uniqueness in the early 1980's as a severe recession aggravated the structural problems plaguing the steel industry and produced massive problems and unemployment. Slackened production in the auto, construction and energy industries undermined the steel industry's major markets and it faced competition from plastics and aluminum as well as imports. Third World nations, such as Brazil and South Korea, joined Japan and West Germany as efficient steel producers and exporters to the United States. The intensified pressure on profits led to more determined efforts to lobby the federal government for trade legislation to put a cap on imports and limit shipments from the Third World as well as the European Community and Japan. Conglomeration and internationalization grew as U.S. Steel negotiated with British Steel and purchased Marathon Oil. Mergers gained popularity with Jones and Laughlin and Republic Steel obtaining government approval and U.S. Steel and National Steel suffering a rebuff.

However, most steel company executives targeted excessive wage costs as the key problem and devised methods to lower them. Using Youngstown as a precedent they closed plants and curtailed production particularly in aging facilities. In the four-country Western Pennsylvania area around Pittsburgh, nearly 65,000 of 90,000 basic steelworkers remained on indefinite layoff in the summer of 1983. Employment in U.S. Steel's six integrated mills in the Mon Valley declined from 28,000 in 1980 to 8,000 by 1983 with the labor force in the Homestead Works falling from 8,000 to 2,500. The employed didn't escape unscathed as cutbacks effected shop floor conditions and pay envelopes. Companies attempted to squeeze more work out of fewer workers with U.S. Steel reducing the amount of maintenance and demanding obedience from employees who faced the threat of dismissal for disobedience. In spite of these economy moves company losses mounted in the early 1980's culminating in a record $1.16 billion loss for 1983 including a $983 million deficit for the fourth quarter. That year David Roderick,
chairman of the board, received a salary increase of $49,562 and the company demanded and received a concessions contract from the United Steelworkers of America. The 41-month contract temporarily cut wages by $1.25 an hour, about 9%, and reduced benefits. It eliminated cost-of-living adjustment payments in the first year and cancelled one week's annual vacation for the first year of the contract. In exchange the company promised to invest the savings in modernizing its steel operations. Responses to this settlement varied with the company supportive, union leadership accepting and rank-and-file sentiment more critical. J. Bruce Johnston, chief management contract negotiator, described it as “a step in the right direction” which will provide “a little bit of cash recovery” but “a far cry from solving the labor costs premium disadvantage that the steel industry has accrued over the years . . .”

James Smith, Acting Research Director of the United Steelworkers of America, hoped that the agreement would make it easier for American steel companies to compete with imports and help get some older plants operating sooner and remain in operation longer. Mike Stout, a grievanceman at local 1397 in Homestead, worried about the effect of the wage reduction on his ability to meet the mortgage payments on his house.13

Homestead shares many of the characteristics of Youngstown and other steel communities as residents worry about the effects of massive, prolonged unemployment on the stability and future of the town. The community has experienced high levels of residential stability, a strong sense of neighborhood, close family and friendship ties, a stress on ethnicity and the centrality of the church. The town played a special role in the Mon Valley as a center of four or five boroughs which attracted former residents for church and shopping. On Saturday night it brought together shoppers, walkers and movie goers. The Leona Theater, which operated from 1925–73, featured vaudeville, films and marathon dancing and drew large audiences. Today a 24-hour restaurant, a convenience store and a gasoline station occupy the site. Eighth Avenue, the borough's main thoroughfare, suffers from many vacant storefronts, potholed streets and the threat of crime. The police force shrank as reduced municipal revenue curtailed public services.

Nevertheless, Homestead retains resiliency and vibrancy based on the strength of its people and their way of life. Few people move in and out of Homestead and Munhall. The majority of families in Reverend Von Dreele’s parish count three or four generations of residence and many relatives in the community. However, the rising tide of unemployment threatens this way of life. The high school graduates expect fewer jobs in
the area than earlier and see the Army as a last resort if they can’t afford to go to college. Families face severe problems with lack of money causing mounting anger and frustration which can produce excessive drinking, drug use and sexual activity by the young.  

Homestead lacks an in depth study of the effects of its unemployment but partial research and well-regarded general studies offer a basis for projecting some trends. Dr. Ruth Kane, a psychiatrist at the St. Francis General Hospital in Pittsburgh, conducted an informal study at a Health-O-Rama held in Homestead in April 1982. Her examination of the effects of unemployment on 250 Pittsburgh workers and their families revealed that they suffered from higher blood pressure levels, higher cholesterol levels and more marital discord. Speakers addressing a conference held at the hospital reinforced these findings. For example Ann Mooney, a sociologist at the University of Delaware, reported a heavy toll in self-confidence and physical illness, including cardiovascular disorders and more deaths from cirrhosis. Other researchers have related higher unemployment rates to increases in child abuse and rising rates of juvenile delinquency. M. Harvey Brenner, a professor of operations research at Johns Hopkins University, discovered connections, with appropriate lags, between the level of unemployment and the rates for suicide, infant mortality, homicide and heart disease mortality. His latest research led him to conclude that the depression of the early 1980’s would undermine the overall health of Americans.

As the crisis mounted for Homestead residents they looked first to their churches. The churches responded to these requests with Reverend Von Dreele developing a program to match the unemployed and homeowners seeking assistance with repairs. The project created odd jobs for two score men and women but the limited resources of the churches couldn’t cope with massive unemployment. Government agencies lacked the resources or commitment and U.S. Steel and the national leaders of the United Steelworkers of America offered limited assistance. Many unemployed workers turned to local 1397 and several, newly formed dynamic community groups.

Local 1397 responded to the emergency with a series of their own activities, cooperation with steel locals and other unions and alliances with community organizations. 1397 Rank & File, the local’s newspaper, publicized its activities and maintained worker morale and solidarity. Its pages contained articles with a strong grassroots flavor as the authors posed questions about the availability of canteens and vending machines in specific departments, criticized job elimination and job combining and documented numerous unreported accidents. Steel com-
pany executives received criticism and the paper reported on instances of mismanagement. Union members read admonitions to remember their pledge of solidarity when the company offered them an opportunity for overtime. The local started the first food bank in the United States and conducted fund raisers to meet the costs of operation. In 1981 Pittsburgh rock groups held a benefit concert for the 1397 food bank and a year later many of the city's leading jazz musicians teamed up for a concert which raised money for the 1397 and Mon Valley food banks. A Christmas special in 1982 featured the distribution of 1,000 turkeys, toys and bags of groceries to the accompaniment of band music. The local undertook programs to stop mortgage foreclosures and to extend unemployment benefits. It hosted a meeting of the presidents of steelworker locals to protest the proposed arrangement between U.S. Steel and British Steel. PATCO and Greyhound strikers received their support and many members participated in the anti-Reagan demonstration in Pittsburgh and other demonstrations in the area. Leaders of the local followed a three pronged strategy: meeting the immediate needs of the unemployed, using the legal system and politics to forward social change and educating people about the need for fundamental change. In pursuit of these purposes some of them campaigned for Jesse Jackson who won the Democratic primary in Homestead in 1984. To forward their goals of raising consciousness and pursuing fundamental change the local collaborated with community groups which stressed the need for a basic steel industry, described the underlying causes of the crisis and formulated a program for basic change.

The Denominational Mission Strategy, a Protestant ministerial group, worked to achieve these purposes often in cooperation with local 1397. Its initial purpose focused on training clergy to develop their leadership and organizational skills. The trainers took the problems affecting people's lives and turned them into issues and discussed what could be done to deal with these issues. The ministers, led by Reverend James Von Dreele of St. Matthew's Episcopal Church in Homestead, also developed a more broad based strategy. They investigated the legal code and discovered a 1978 state law which allowed a disaster emergency to be declared when conditions threatened the safety, health or welfare of a substantial number of the citizens of the state. Citing the massive unemployment in the Mon Valley as an emergency they requested job retraining, restoration of municipal services and support for new municipal services. However, the governor's office declared that the law didn't apply and they couldn't respond to these requests. The movement held a rally to plan strategy in light of this rejection and the
participants decided to turn to the corporations and convince them to request the politicians to obtain relief for the Mon Valley. By this time a variety of Protestant churches and local unions had joined the campaign. In 1983 they began to hold weekly meetings and undertake intensive research which revealed the key role of banks, particularly Mellon Bank, in the disinvestment and plant closing process. This bank had foreign loans of several billion dollars including investments in Brazilian, Japanese and Taiwanese steel mills. To counter this disinvestment process the Network to Save the Mon Valley, the name of the organization handling the campaign, held mass meetings and launched a “Pledge Card Campaign.” The initiators of this strategy wanted to educate the public about the role of banks and engage people directly in the campaign. The bank boycott led to the withdrawal of checking and savings accounts which provided the cash flow for overseas investments. The campaign failed to undermine the financial position of Mellon Bank and left unrealized the hope that bank executives would begin serious negotiations about their participation in the future of the community. Nevertheless, it produced much publicity and educated the public about international business connections and the role of banks. Mellon Bank suffered a damaged reputation which undermined its self-proclaimed good neighbor slogan.17

The Mon Valley Unemployed Committee, formed in 1982, became a champion of the unemployed and a provider of services to them. By the following year the organization reached more than 1,500 dues paying members, mostly laid-off steelworkers. It operated food banks, supplied “walk-in” counseling and provided a “hot line” which offered information about solving housing, welfare and health care problems. However, more direct political action formed the main thrust of its organizational activities. Mortgage foreclosures became its focus as the organization picketed banks, secured injunctions and met with bankers and government officials in behalf of the unemployed. The committee brought people to sheriff’s sales to protest foreclosures and displayed cardboard vultures swooping down over the heads of prosecution attorneys. The pressure and publicity generated by these activities induced Sheriff Coon and Judge Papadakas to place a moratorium on foreclosures and persuaded the state legislature to consider and eventually enact ameliorative legislation. The organizers sought to broaden their base by direct actions and creating national linkages. Members lobbied state legislators, testified at hearings and traveled to other cities to build a network of unemployed organizations. In March 1983 they participated in a mass lobby day and rally in Washington and the following month organized a
demonstration against President Reagan when he visited Pittsburgh. The focus of the Mon Valley Unemployed Committee shifted in June as it helped to establish the first national conference of unemployed groups. The 250 activists, who gathered for the conference, formed the National Unemployed Network and formulated a program for action with the achievement of a decent standard of living for all as its general objective. More specifically, the delegates demanded a change in the government’s budget priorities from money for war to money for jobs and called for a struggle against the disproportionate effect of unemployment on women, minorities and handicapped workers. To secure these aims the organization tried to build a unified force of all workers, employed and unemployed, around common interests. The national network published the National Unemployed News and stimulated the birth and growth of local committees.

The Tri-State Conference on Steel, another community organization, took a somewhat different approach by formulating strategy and tactics to take over and operate steel mills in behalf of the workers and their communities. It found the legal basis for its plan in section 306 of the Municipal Authorities Act of 1945 which granted borough councils the power to establish a “public authority” to acquire and develop existing industries by using the power of eminent domain. Eminent domain, the right of public agencies to acquire private property when necessary for public safety, health, interest or convenience has a long history. However, most often powerful corporations derived the benefits as they did in Pittsburgh with Renaissance I and the forcible eviction of residents of the Hazlewood section so Jones and Laughlin Steel Company could use the land. In late 1981 and early 1982 the Tri-State Conference on Steel concentrated on an educational campaign to inform the public and the politicians about eminent domain and its possibilities in condemning and using local steel mills. At the same time researchers for the organization investigated the sources of just compensation embodied in the eminent domain strategy. They discovered that municipal authorities could issue bonds, an interested buyer could supply the capital and the pension funds of workers could be used. Their initial opportunity to use eminent domain came in the summer of 1982 when Crucible Steel Company in Midland, PA announced its closing. Several factors favored the use of eminent domain including the existence of a municipal authority, the presence of a company interested in operating the facility and a relatively new mill. However, local leaders rejected the idea because residents viewed the Tri-State Conference on Steel as an outsider and the organization lacked the time to develop support among
local steel workers. The organization also introduced the eminent domain approach in the struggles to save the Nabisco Plant in Pittsburgh and the Mesta Machine Company in West Homestead. In the former case the threat of eminent domain contributed to the company’s decision to keep the plant open, but the Save Mesta Committee failed to achieve its objective although it publicized the approach and generated support in the West Homestead Borough Council.¹⁹

By the middle of 1983 most of the efforts of the Tri-State Conference on Steel focused on putting together a comprehensive program for saving and revitalizing the steel and related industries in the area. Its proposal rested on the assumption of the need for steel in a modern society based on economic growth and full employment. The steel industry still provides the economic base of the region but it requires immediate revitalization in order to continue to play this role. The capital costs of modernizing the Pittsburgh area facilities, an investment of several billion dollars, far exceeds the amount available under current levels of profit in private capital markets. Government and labor concessions to steel companies don’t produce modernization as recent events demonstrate. Therefore, action by the federal government, using an authority such as TVA or Conrail use, offers the most promising path. The plan envisions a Federal Steel Authority operating the facility with an enhanced role for workers in the collective bargaining and production processes. A federal government program to undertake an industrial rebuilding and infrastructure reconstruction would provide a major market for the products of this new complex. This massive reconstruction program would dovetail with the specialization of the new facilities in the production of plate and structural steel. The scenario envisioned by the authors of the Tri-State Plan received reinforcement from the conclusions of other researchers who reported on the serious deficiencies of basic public works. Their findings included revelations of obsolete and decaying bridges, crumbling highways, deteriorated rail facilities and leaky water and sewer mains. A modernized, reconstructed steel industry would provide many jobs which fit the needs of area residents and pay a reasonable wage. However, a modernized industry would employ fewer workers than at the peak employment level. Therefore, the drafters of the plan advocated special support for workers adversely affected by the new character of the industry. Their recommendation included consideration of work sharing as an element of the transitional phase, job retraining linked to redevelopment programs for the younger
workers and a guaranteed annual income to workers too old to retrain but too young to retire.\textsuperscript{20}

The United States has entered a new economic era in which current policies fall short of effectiveness and the widely discussed alternatives such as industrial policy and targeting winners suffers from major flaws. The social contract based on economic growth which responded to some of the needs of workers in the primary labor sector has been replaced by demands for concessions, anti-union employer activities and reductions in the social safety net. The economy has failed to solve the central problem of how to combine full employment, stable prices and rising real income. The realization of these objectives requires the use of planning as a key mechanism to rejuvenate the sluggish economy and redistribute income. Some critics of current policy such as Gar Alperovitz, David Gordon, Barry Bluestone and Bennett Harrison advocate democratic reindustrialization to revitalize heavy industry, which remains the core of our national economic vitality. Their common agenda links national planning with a community orientation including a public balance sheet, a strengthened local planning capacity and democratized economic institutions. National planning would discourage the growing obesity of the American corporate bureaucracy and encourage measures supportive of justice such as restrictions on capital mobility, assurance of access to the basic necessities of life and economic conversion from a war economy to the production of products which serve human needs. Elements of the program include passage of effective plant closing legislation, the widespread availability of food, fuel, health care and shelter and the encouragement of alternative production strategies such as the Lucas Aerospace Plan. The foundation for this new direction would be a deep commitment to certain values especially fairness and community. Job security and wage growth would be accorded high priority. Union and worker participation in the decision making process would replace the current brute-force strategy of most managements. Experiments in community and worker ownership would be encouraged especially in heavy industry. Public policy would foster greater workers' control on the shop floor thereby enhancing the contribution and participation of workers.\textsuperscript{21}

Implementation of this program requires a new political alliance to replace the coalition composing the Democratic party, which relied on industrial workers and more liberal capitalists who support the welfare state and the informal social contract with economic growth induced by the federal government as its foundation. Today, however, industrial
workers, blacks and women find their limited share of the bounty 
jeopardized and face an economic future comprised of low wage jobs and 
the threat of unemployment. The effects of the current structural 
changes in the economy open new political opportunities. A program 
emphasizing productivity, and the reduction of waste, civilian and 
military, provides a basis for forming a popular coalition for progressive 
change. A leading element of the transformation would involve a 
determined organizing effort among the working poor, administrative 
workers and workers in new scientifi cally based technologies. A revitalize 
d labor movement in combination with minorities, underclasses and 
women provides another fundamental building block of the new coaliti 
on. In the 1930's and 1940's in some industrial cities class conscious 
ness emerged out of linkages between workers and neighborhoods. Some 
towns and cities preserved those forms of community and can build on 
them, while other places must construct new forms. In some cases the 
two types of communities can be brought together by one area drawing 
on the experience of another region such as the Mon Valley. Recently, 
officials in New Bedford, Massachusetts decided to investigate the use of 
eminent domain as a means of preserving Morse Cutting Tools, Inc. as a 
resource to provide jobs for residents.

The steel industry contributed to the economic success of the United 
States immediately after World War II and later played a role in 
deindustrialization and our declining international trade position. 
Employers responded to the shift with demands for government aid and 
labor concessions based on the rationale that their difficulties stemmed 
from government policies and excessive labor costs rather than manage 
rial miscalculations and technological backwardness as their critics 
 alleged. In the Mon Valley steel workers and their communities paid the 
price in job cutbacks and received little relief from the government and 
the steel companies. In their distress they turned to local unions and 
community groups who offered emergency aid and the prospect of new 
directions. Their programs met some immediate needs and offered an 
alternative. In combination with national planning, the democratic 
decentralization offered by these groups provides a viable alternative to 
current government, business and national union policies.

NOTES

1. Interview with Ann Markusen, Professor of Urban Planning, University of California, 
Berkeley, April 28, 1983; John M. Blair, Economic Concentration (New York, 1972), 
381–83; Nelson Lichtenstein, Labor's War at Home: The CIO in World War II 


5. Office of Technology Assessment, *Technology and Steel Industry Competitiveness*, 20, 22; Interview with J. Bruce Johnston, Vice-President for Labor Relations, U.S. Steel, April 6, 1983; Markusen interview; Interview with Barry Bluestone, Professor of Economics, Boston College, May 19, 1983; Crandall, *U.S. Steel Industry*, 22-23.


8. Interview with McMill.

9. Interview with Ron Weisen, President of Local 1397 USWA, November 15, 1982.


